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111th Congress Congress of the United States

House of Representatives

COMMITTEES:

HOUSE PERMANENT SELECT COMMITTEE ON INTERLIGENCE RANKING MEMBER

> HOUSE COMMITTEE ON EDUCATION AND LABOR

January 15, 2010

The Honorable Jennifer Granholm Governor The State of Michigan P.O. Box 30013 Lansing, Michigan 48909

Dear Governor Granholm:

I am writing to echo the sentiments of residents of Michigan's Second Congressional District and others across the state who are frustrated by the so-called "Cornhusker Kickback" deal that Senator Ben Nelson (D-NE) secured for the state of Nebraska. Please exhaust all efforts to similarly fight for Michigan while negotiations amongst Democratic leadership continue. The unfunded Medicaid mandate currently being proposed will cost residents of Michigan hundreds of millions of dollars.

In light of the economic crisis Michigan continues to face, and considering the \$1.7 billion budget deficit ahead in FY 2011, Michigan's leadership cannot subject the economy to a massive unfunded mandate. If Washington wants to impose new mandates on states it should take responsibility for funding them.

I believe strategically targeting areas of healthcare that need fixing is a smarter solution than attempting to overhaul one-sixth of the U.S. economy. To the extent, however, that the President is poised to sign this legislation, the fundamental unfairness that our shared constituency has recognized in treatment of different states must be addressed and rectified. Residents of Michigan, at a minimum, want and deserve as good a deal as the residents of Nebraska.

Nebraskans should not receive full funding from the federal government while Michiganders pay our own way for significant administrative and benefit costs. Furthermore, Michigan taxpayers living through 15 percent unemployment should not have to shoulder the burden for Nebraska and its 4.2 percent unemployment. With triple the unemployment rate, Michigan should not be required to subsidize another state, nor should its leaders accept such a framework.

A recently released independent study, Expanding Medicaid: The Real Costs to the States, indicates that adoption of a Medicaid expansion would cost more than \$710.9 million over the next decade in Michigan. Please work to inform Michiganders fully and accurately about the impact of the proposed provision on our state's future.



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Analysis of the data and disclosure of such information will likely lead to the conclusion at which many constituents have already arrived, that an unfunded Medicaid expansion is an expense Michigan cannot afford.

Thank you for your attention to this matter.

Sincerely,

Pete Hoekstra

Member of Congress